



<p>2005.08.15</p>	<p style="text-align: center;"><b>Press Release</b></p> <p style="text-align: center;"><b>Epistar and UEC to Merge in a Stock-for-Stock Transaction</b></p> <p>Epistar Corporation and United Epitaxy Company (UEC), both well known in the high brightness LED industry, announced today that they are planning to merge. As leading suppliers in the field of high brightness LED epiwafers and chips, the merger of the two companies will create the largest epiwafer and chip company in Taiwan, in terms of revenue and production capacity.</p> <p>The boards of both companies have agreed to set a temporary stock for stock exchange ratio, which is 2.24 UEC shares to one Epistar share. The transaction is subject to the approval by the shareholders of both companies and to the necessary regulatory clearance in Taiwan. It is expected to be finished by the end of this year</p> <p>Epistar is the leader in ITO high brightness blue and green LEDs and UEC is the largest supplier of AlGaInP LED chips in the world. As a result, the two companies are highly complimentary of each other in the global market. The merger will bring an even more complete product line-up and a broader customer basis for the new company. More importantly, it will further strengthen the company's already strong patent portfolio. With the cooperation and integration in sales, production</p>
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	<p>and R&amp;D, the merger will enable the realization of synergies in new product development and cost reduction, as well as increasing revenue and profitability.</p> <p>The two companies reported total revenues in 2004 of approximately 5.74 billion NT (179 million USD). The new company has a capital and a market value of around 3 billion NT (95 million USD) and 12 billion NT (380 million USD), respectively. By leveraging Epistar's expertise and UEC's know-how in the manufacturing of high brightness InGaN and AlGaInP LEDs, the combined company is well positioned for the ever changing and fast growing LED industry.</p> <p>The new Epistar Corporation is expected to continuously play a pivotal role in the global LED supply chain. Through strong efforts to strive for the best by the new company, the shareholders will be further benefited. Finally, the customers will also enjoy the synergy of such a merger for better products and services.</p>
2004.07.16	<p><b>Epistar and Lumileds Settle Lawsuit</b></p> <p>Epistar is pleased to announce that it has reached a settlement of its litigation with Lumileds. The specific terms of the settlement agreement are confidential. However, the settlement includes a license to Epistar under Lumileds' U.S. Patent Nos. 5,008,718, 5,164,798 and 5,233,204 and any other corresponding foreign patents or patent applications, and it avoids further litigation between Epistar and Lumileds.</p> <p>Epistar is a leading manufacturer of AlGaInP and nitride LEDs, and holds more than 50 patents relating to its products. The settlement of this litigation will allow Epistar to focus on the continued expansion of its product lines and to further increase its sales. "Epistar will continue to develop new technologies for high brightness LEDs" said B.J. Lee, Epistar's President. "We will also continue to create a strong intellectual property portfolio based on the technologies we develop."</p> <p>For any further queries, please contact Mr. Jacky Chen of Epistar Sales Division via <a href="mailto:jacky@epistar.com.tw">jacky@epistar.com.tw</a>.</p>

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